

Federal Energy Regulatory Commission

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taxes, extraordinary items (§ 367.4093) (See General Instructions in § 367.8).

§ 367.4350 Account 435, Extraordinary deductions.

This account must be debited with losses of unusual nature and infrequent occurrence that would significantly distort the current year's income computed before extraordinary items, if reported other than as extraordinary items. Income tax relating to the amounts recorded in this account must be recorded in account 409.3, Income taxes, extraordinary items (§ 367.4093) (See General Instructions in § 367.8).

§ 367.4360 Account 436, Appropriations of retained earnings.

This account must include appropriations of retained earnings as follows:

(a) Appropriations required under terms of mortgages, orders of courts, contracts, or other agreements.

(b) Appropriations required by action of regulatory authorities.

(c) Other appropriations made at option of the service company for specific purposes.

§ 367.4370 Account 437, Dividends declared—preferred stock.

(a) This account must include amounts declared payable out of retained earnings as dividends on actually outstanding preferred or prior lien capital stock issued by the service company.

(b) Dividends must be segregated for each class and series of preferred stock as to those payable in cash, stock, and other forms. If not payable in cash, the medium of payment must be described with sufficient detail to identify it.

§ 367.4380 Account 438, Dividends declared—common stock.

(a) This account must include amounts declared payable out of retained earnings as dividends on actually outstanding common capital stock issued by the service company.

(b) Dividends must be segregated for each class of common stock as to those payable in cash, stock and other forms. If not payable in cash, the medium of payment must be described with sufficient detail to identify it.

§ 367.4390 Account 439, Adjustments to retained earnings.

(a) This account must, with prior Commission approval, include significant non-recurring transactions accounted for as prior period adjustments, as follows:

(1) Correction of an error in the financial statements of a prior year.

(2) Adjustments that result from realization of income tax benefits of reacquisition operating loss carry forwards of purchased subsidiaries. All other items of profit and loss recognized during a year must be included in the determination of net income for that year.

(b) Adjustments, charges, or credits due to losses on reacquisition, resale or retirement of the company's own capital stock must be included in this account.

Subpart J—Operating Revenue Chart of Accounts

§ 367.4570 Account 457, Services rendered to associate companies.

This account must include amounts billed to associate companies for services rendered at cost (See accounts 457.1 through 457.3 in §§ 367.4571 through 367.4573). Overbillings or underbillings arising from adjustments of estimated costs to actual costs must be cleared through this account and concurrent adjustments made to other accounts involved.

§ 367.4571 Account 457.1, Direct costs charged to associate companies.

This account must include those direct costs that can be identified through a cost allocation system as being applicable to services performed for associate companies. This account must not include any compensation for use of equity capital or inter-company interest on indebtedness.

§ 367.4572 Account 457.2, Indirect costs charged to associate companies.

This account must include recovery of those indirect costs that cannot be separately identified to a single or group of associate companies and therefore must be allocated. Only journal or memorandum entries should be prepared monthly, by departments, for

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all such cost accumulated and billed to customers. Amounts billed to associate companies must be included in this account. This account must not include any compensation for use of equity capital or inter-company interest on indebtedness.

§ 367.4573 Account 457.3, Compensation for use of capital—associate companies.

This account must include only the portion of compensation for use of equity capital and inter-company interest on indebtedness before income taxes that is properly allocable to services rendered to each associate company.

§ 367.4580 Account 458, Services rendered to non-associate companies.

This account must include amounts billed for services rendered to non-associate companies (*See* accounts 458.1 through 458.4 (§§ 367.4581 through 367.4584)).

§ 367.4581 Account 458.1, Direct costs charged to non-associate companies.

This account must include those direct costs that can be identified through a cost allocation system as being applicable to services performed for non-associate companies. This account must not include any compensation for use of equity capital or interest on indebtedness.

§ 367.4582 Account 458.2, Indirect costs charged to non-associate companies.

This account must include recovery of those indirect costs of services performed for non-associate companies that cannot be specifically assigned and therefore must be allocated. This account must not include any compensation for use of equity capital or inter-company interest on indebtedness.

§ 367.4583 Account 458.3, Compensation for use of capital—Non-associate companies.

This account must include only the portion of compensation for use of equity capital and inter-company interest on indebtedness before income taxes that is properly allocable to serv-

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ices rendered to non-associate utility companies. A statement to support the basis for the compensation and how it was calculated must be attached to a separate journal entry, ledger system, or memorandum file.

§ 367.4584 Account 458.4, Excess or deficiency on servicing non-associate utility companies.

This account must include the amount by which the aggregate price received for services rendered to non-associate utility companies differs from the sum of the total direct and indirect costs and compensation for use of capital which are properly allocable to such services (*See* accounts 458.1 through 458.3 (§§ 367.4581 through 367.4583) and General Instructions in § 367.23).

Subpart K—Operation and Maintenance Expense Chart of Accounts

§ 367.5000 Accounts 500–598, Electric operation and maintenance accounts.

Service companies must use accounts 500 through 598 in part 101 of this chapter.

§ 367.8000 Accounts 800–894, Gas operation and maintenance accounts.

Service companies must use accounts 800 through 894 in part 201 of this chapter.

§ 367.9010 Account 901, Supervision.

This account must include the cost of labor and expenses incurred in the general direction and supervision of customer accounting and collecting activities. Direct supervision of a specific activity must be charged to account 902, Meter reading expenses (§ 367.9020), or account 903, Customer records and collection expenses (§ 367.9030), as appropriate (*See* Operating Expense Instructions in § 367.80).

§ 367.9020 Account 902, Meter reading expenses.

(a) This account must include the cost of labor, materials used and expenses incurred in reading customer meters, and determining consumption